

Indiana Department of Revenue Contact Information

*To obtain copies of forms, bulletins or other administrative pronouncements:*  
 \*By Internet, visit our Web site: [www.IN.gov/dor](http://www.IN.gov/dor). (Click on either the "Tax Forms" or "Publications" link.)  
 \*By e-mail, write to [pfrequest@dor.state.in.us](mailto:pfrequest@dor.state.in.us).  
 \*By FAX, call our TaxFax at (317) 233-2329 (from the handset of a FAX machine).  
 \*By telephone, call our Forms Order Line at (317) 615-2581.

*For refund information:*  
 Call our Automated Taxpayer Information System (and press "1" in response to instructions given) from a touch tone telephone: (317) 233-4018 between 8:00 A.M. Monday - 10:00 P.M. Saturday.

*Other taxpayer services:*  
 To speak with a taxpayer assistant regarding individual income taxes, call our Taxpayer Services Division at (317) 232-2240 (8:15 A.M. - 11:15; 12:30 - 4:30 P.M.).  
 For corporate tax questions, call (317) 615-2662.  
 The Indianapolis Walk-In Assistance Center is open 8:00 A.M. - 4:30 P.M.  
 To obtain Taxpayer Assistance Phone Numbers by specific tax types, go to: [www.IN.gov/dor/assistance/indy.html](http://www.IN.gov/dor/assistance/indy.html).  
 For departmental Post Office box numbers, click here: [www.in.gov/dor/filingdeadlines/pdf/po\\_boxes.pdf](http://www.in.gov/dor/filingdeadlines/pdf/po_boxes.pdf).  
 To obtain a list of the department's District Offices, go to [www.in.gov/dor/assistance/district.html](http://www.in.gov/dor/assistance/district.html).

*Motor Carrier Services*, (317) 615-7200, [www.IN.gov/dor/mcs](http://www.IN.gov/dor/mcs).  
 Indiana Department of Revenue, Motor Carrier Services Division, 5252 Decatur Boulevard, Suite R, Indianapolis, IN 46241  
**24-HOURS-A-DAY, SEVEN-DAYS-A-WEEK INTERNATIONAL REGISTRATION PLAN TRANSACTIONS CAN NOW BE CONDUCTED ONLINE!**  
 Commercial Drivers License, (317) 615-7335; IRP, (317) 615-7340; Indiana State Police, (317) 615-7373; Oversize/Overweight Vehicle Permitting, (317) 615-7320; Motor Carrier Fuel Tax/IFTA, (317) 615-7345; Operating Authority, (317) 615-7290; Oversize/Overweight Insurance, (317) 615-7349; Superload Permits, (317) 615-7325.

Indiana Department of Revenue  
 Public Affairs Division  
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# Indiana Tax Dispatch Newsletter

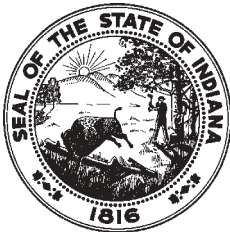
October - December 2003

Volume VI, No. 4

A Quarterly Publication  
 for Tax Practitioners

Courtesy of the  
 Indiana Department  
 of Revenue

Visit the department  
 on the Internet at:  
[www.IN.gov/dor](http://www.IN.gov/dor)



### Use Tax Campaign Now Underway

Line 17 of the Indiana individual return, the use tax line, is the focus of an educational campaign. This is an effort to increase compliance and educate taxpayers about their responsibility to pay use tax on out-of-state, Internet and catalog purchases. Various mailings and marketing approaches are being utilized. Post cards will be mailed to the tax professional community, requesting its assistance in this endeavor.

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## New Electronic Payment and Extension Options Now Available

Individual taxpayers who file quarterly estimated payments may now make those payments online, the Indiana Department of Revenue has announced.

Taxpayers wishing to make their estimated payments join the thousands of other Hoosier taxpayers already using the **IN-ePay** system to pay their tax bills and balances due electronically with either **eCheck** (an electronic check with a flat \$1.00 fee per payment transaction) or MasterCard or Visa credit cards, officials report.

Taxpayers can now also fill out an extension of time to file payment with Form IT-9 online. There is a worksheet online and links to the IT-40 instructions for taxpayers' convenience.

Electronic taxpayers should go to the Department's home Web page at [www.IN.gov/dor](http://www.IN.gov/dor) and select the "electronic services" link for a listing of electronic services available. Click on "IN-ePay" to see what information is needed to complete these services.

**FLASH! INDIANA HAS TAKEN FIRST PLACE IN THE "2003 VALUE IN TECHNOLOGY ACHIEVEMENT COMPETITION" FROM THE NATIONAL ELECTRONIC COMMERCE COORDINATING COUNCIL!**

## Bonus Depreciation and Section 179 Deduction Clarification

**IRC Section 168 (k) special (bonus) depreciation allowance** - Indiana did not conform to these provisions in the Internal Revenue Code when it enacted P.L.105-2003. Instead, the depreciation deduction will be calculated in the same manner as calculated prior to 2001. Commissioner's Directive #19 explains the required modification.

**IRC Section 179 additional first-year capital investment deduction**-Currently, Indiana recognizes the other changes provided by The Jobs Creation and Workers Assistance Act of 2002. This Act increased the federal Section 179 deduction amount to \$25,000 (up from \$24,000) beginning with a \$200,000 write-off phaseout

limit. For businesses in an Enterprise Zone, renewal community, or New York Liberty Zone, up to \$35,000 may be expensed. The basis of the property and the depreciation allowances in the year of purchase and in later years must be adjusted to reflect the additional first-year depreciation deduction until the property is sold.

Also, off-the-shelf computer software may not be expensed for state tax purposes by applying new Section 179 rules. The increase to \$100,000 deduction and a beginning \$400,000 phaseout limitation allowed by 2003 federal legislation is yet to be acted upon by the Indiana General Assembly.

## Online Registration Rolled Out for International Registration Plan

The Department is pleased to announce that motor carrier companies already registered in Indiana for the International Registration Plan (IRP) can now conduct much of their business online with the Indiana Department of Revenue's Motor Carrier Services Division.

Department officials report that this exciting new Internet program allows registrants to process vehicle renewals and transactions, obtain temporary permits, make transaction payments and print out valid cab cards and permits immediately.

Customers may now also pay for their transactions via IN-ePay, either with eCheck (flat \$1.00 fee per payment transaction), or with a credit card.

Motor carriers with an active Indiana IRP account may register for this quick and easy online service by going to

the Department's Web site, [www.IN.gov/dor](http://www.IN.gov/dor), and clicking on the link.

Carriers who prefer to file via paper, either by mail or in-person, may continue to do so, Department officials state.

Online services will be available 24 hours a day, seven days a week and are expected to reduce significantly the number of temporary permit requests for "add vehicle" and "replacement plate" transactions, which require manual processing and mailing by Department personnel.

Since the electronic process increases the speed of obtaining credentials via Internet processing, the Indiana 60-Day Temporary Registration Permit has been reduced to 45 days

**TAX PROFESSIONALS  
HAVE SPOKEN.  
THE DEPARTMENT  
HAS RESPONDED.**

*Form WH-3 is now  
downloadable at  
[www.IN.gov/dor/  
taxforms/pdfs/wh-3.pdf](http://www.IN.gov/dor/taxforms/pdfs/wh-3.pdf)*

### 2003-2004 STATE HOLIDAYS

Offices of the Indiana Department of Revenue will be closed on the following dates:

Christmas Day ..... Dec. 25, 2003  
Washington's Birthday\* .. Dec. 26, 2003  
New Year's Day ..... Jan. 01, 2004  
Martin L. King Jr. Day ..... Jan. 19, 2004  
Good Friday ..... Apr. 09, 2004  
\*observed

### FREE PACKAGE IN-X ON CD-ROM WITH BULK FORMS ORDERS

To obtain a FREE Package IN-X on CD-ROM, either call or e-mail our Forms Order Request Line and ask for a blank FOR-1 to complete.

Forms Order Request Line:

- 1) Telephone: (317) 615-2581
- 2) E-Mail: [pfrequest@dor.state.in.us](mailto:pfrequest@dor.state.in.us)

If calling after hours, please leave your name, FAX number and/or address (as well as your telephone number, in case we have a question or can not hear your message clearly).

You can also download forms (but no free CD):

- 3) via Internet by visiting our Web site at [www.IN.gov/dor](http://www.IN.gov/dor) (click on either the "Tax Forms" or "Publications" link); or,

- 4) by FAX, by calling our TaxFax system at (317) 233-2329 from the handset of a FAX machine.

## FORM POA-1

**NOTE:** Please destroy all Power of Attorney forms (POA-1) printed before December 2002. Any previous version will delay processing of your request.

You may find Form POA-1, revised December 2002, at [www.in.gov/dor/taxforms/pdfs/poa1.pdf](http://www.in.gov/dor/taxforms/pdfs/poa1.pdf).

### PROPERTY TAX DEDUCTION Q'S & A'S

Tax professionals may run into the following situations regarding the property tax deduction available on the Indiana Individual Income Tax return.

**Q** My clients have not paid any property tax. They are protesting their assessment. Can they take the property tax deduction?

**A** If no tax has been paid in 2003, then the taxpayers may not claim a property tax deduction for 2003.

**Q** What if my client has paid an estimated property tax assessment?

**A** Then, the taxpayer can claim all that has been paid in 2003 -- up to the limitation of \$2,500.

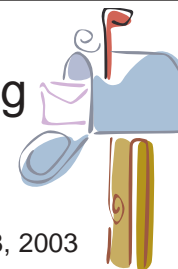
**Q** My clients have paid only half of their property tax assessment and have an extension of time to pay the other portion. Can they deduct the full year's assessment?

**A** Only the portion paid in 2003 can be claimed as a deduction on their 2003 Indiana return.

**Q** My client's mortgage company will get the property tax bill in January 2004. Will my client be eligible for the deduction?

**A** Your client may not deduct these taxes until the mortgage company pays them to the county.

## Watch for these Mailing Dates



WH-1 and WH-3  
Week of December 8, 2003

WH-1 and WH-3 annuals  
Week of December 8, 2003

Individual Tax Booklets  
December 29, 2003-January 3, 2004

1099G's  
December 29, 2003-January 3, 2004

Business Coupon Booklets  
January 2004

IT-40ES Booklets  
February 2004

*Annotated IT-40 online  
[www.in.gov/dor/special  
resources/pracnews/pdf/  
it40-annotated.pdf](http://www.in.gov/dor/specialresources/pracnews/pdf/it40-annotated.pdf)*

## EIC HAS BEEN SIMPLIFIED

Beginning in 2003, Indiana has simplified the Earned Income Credit (EIC) calculation and reporting requirements.

Indiana's credit is 6% of the allowable federal Earned Income Credit.

Schedule IN-EIC must be attached to the state tax return, showing the dependent relationship information.

Also new for 2003, the EIC may be claimed on Form IT-40EZ.

The worksheet information is on the back of the form, requiring no Schedule IN-EIC attachment.

**Taxpayer Refund  
Information Line:  
(317) 233-4018**

## Recent Administrative Pronouncements

### Departmental Notices

[www.in.gov/dor/publications/notices/index.html](http://www.in.gov/dor/publications/notices/index.html)

Departmental Notice #2  
Prepayment of Sales Tax on Gasoline  
December 1, 2003  
Effective Jan. 1 - Jun. 30, 2004

Departmental Notice #3  
Interest Rates for Calendar Year 2004  
November 2003  
Effective Jan. 1 - Dec. 31, 2004

Departmental Notice #4  
Form Specifications for Software Developers  
September 4, 2003

### Income Tax Information Bulletins

[www.in.gov/dor/publications/bulletin/income/index.html](http://www.in.gov/dor/publications/bulletin/income/index.html)

### Sales Tax Information Bulletins

[www.in.gov/dor/publications/bulletin/sales/index.html](http://www.in.gov/dor/publications/bulletin/sales/index.html)

### Commissioner's Directives

[www.in.gov/dor/publications/comdir/](http://www.in.gov/dor/publications/comdir/)

Commissioner's Directive #19  
Federal Bonus Depreciation Deduction as Applied to Indiana Adjusted Gross Income  
Passed August 2003; retroactive to January 1, 2003.

Commissioner's Directive #20  
Complimentary Rooms and Lodgings Provided by Innkeepers  
Passed August 2003; effective July 1, 2003.

### Tax Policy Directives

[www.in.gov/dor/publications/poldir/index.html](http://www.in.gov/dor/publications/poldir/index.html)

### Audit-Grams

[www.in.gov/dor/publications/legal/audit\\_gram/index.html](http://www.in.gov/dor/publications/legal/audit_gram/index.html)

## DID YOU KNOW?

•Of the over 2.9 million individual 2002 returns received through November 17, 2003, only 1.2 million were traditional paper returns.

•There are only four counties without a county income tax.

## RENTERS, REJOICE!

The ceiling for the renter's deduction has increased from \$2,000 to \$2,500 for 2003.

## ELECTRONIC BT-1 IN JUST 48 HRS!

You can now fill out the BT-1 Business Tax Application online ([www.IN.gov/dor](http://www.IN.gov/dor)) and receive notice of your application status within 48 hours.

Just one BT-1 form can initiate Sales Tax, Withholding Tax, County Innkeepers Tax, Food and Beverage Tax, Motor Vehicle Rental Excise Tax, Out-of-State Use Tax, Prepaid Gasoline Sales Tax, and Private Employment Agency taxes for a new business.

(The BT-1 cannot be used to update current information for existing businesses, except to add new locations or new tax types.)